



INDIANA STATE BOARD OF EDUCATION

To: State Board of Education
From: Timothy Schultz, General Counsel, State Board of Education
Date: August 7, 2019
RE: Freeway Contract Amendment for Faith Academy (B748)

STAFF RECOMMENDATION: Faith Academy’s (“Faith”) request to amend the Freeway School Contract should be denied.

I. Introduction

Faith, a Freeway-Accredited nonpublic school in Merrillville, IN that serves kindergarten through grade 12 is requesting an amendment to its Freeway School Contract (“contract”) to split into three separate schools. Per the request, each school will be assigned its own school number, while maintaining its Freeway accreditation across all three schools. The requested schools and grade levels are as follows:

- Faith Academy Elementary School, serving grades kindergarten through grade 3;
- Faith Academy Middle School, serving grades 4 through 8; and
- Faith Academy High School, serving grades 9 through 12.

All schools will be located at the current address for Faith Academy, 7601 Whitcomb St. Merrillville, IN 46410.

II. Basis for Agency Review

Pursuant to IC 20-26-15-1 *et seq.*, school corporations or individual schools may seek Freeway Accreditation by petitioning the Indiana State Board of Education (“Board”). The petition submitted by the school corporation or school must agree to abide by the legal requirements set forth in IC 20-26-15. If the Board votes to approve the Freeway Petition, the parties must enter into a Freeway Contract. Per IC 20-26-15-9, the governing body of a Freeway School and the Board “acting jointly” may amend a contract:

- (1) to comply with any law enacted subsequent to the formation of the contract;
- (2) to alter the educational benefits to a level that is not below the minimum educational benefits listed in section 7 of this chapter; or
- (3) for a purpose jointly agreed to by the parties.

III. Background Information

As previously noted, Faith is a Freeway-Accredited nonpublic school located in Merrillville, IN. Faith currently serves kindergarten through grade 12 at its facility. Faith has been Freeway Accredited since July 1, 2012, and its accreditation is currently set to expire on June 30, 2022. During the 2016-17 school year, 74 students attended Faith, which increased to 107 during the 2017-2018 school year. However, enrollment decreased to 59 students during the 2018-19 school year.¹

Faith also participates in the Indiana School Choice Scholarship Program.² In general, an eligible school may accept Choice Scholarship funds from eligible students that choose to enroll in the eligible school. However, an eligible school that receives any combination of D's or F's in consecutive years will have its ability to receive new choice scholarship students suspended.³ Under subsection IC 20-51-4-9(a), the school's ability to receive choice scholarship students shall remain suspended until the eligible school receives a C or better during consecutive years as prescribed by statute.

As a result of Faith's historical school letter grades, consequences were imposed beginning with the 2018-19 school year. In response to the imposition of the Choice Scholarship consequences, Faith has submitted two waiver requests pursuant to IC 20-51-4-9(b). The first waiver request was considered by the Board during the April 2018 business meeting for the 2018-19 school year. After discussion the Board ultimately denied Faith's waiver request and was unable to accept new Choice students for the 2018-2019 school year. Faith submitted a new waiver request for the 2019-20 school year, which the Board considered during the May 2019 business meeting. The request was denied, and Faith is currently prohibited from accepting new Choice Scholarship students for the 2019-20 school year.

IV. Faith's Request to Amend the Freeway Contract

In the immediate matter, Faith has requested that the Board approve an amendment to its Contract to subdivide the school into three separate entities. Based on information provided by Faith, it does not appear that this amendment is being proposed to either (1) to comply with any law enacted subsequent to the formation of the Contract, or (2) to alter the educational benefits to a level that is not below the minimum educational benefits listed in IC 20-26-15.⁴ Instead, it appears that the amendment is designed to subdivide the school into separate grade spans without a significant reorganization nor a major change in student population. Although Freeway contracts may be amended, it is difficult to identify any justification to amend Faith's Contract in the manner requested.

V. Conclusion

Faith's request to amend the Freeway School contract that it currently operates under fails to identify any legal basis to justify the amendment and should be denied.

¹ <https://compass.doe.in.gov/dashboard/overview.aspx?type=school&id=B748>.

² IC 20-51-4-1 *et seq.*

³ IC 20-51-4-9.

⁴ IC 20-26-15-9.